

NEWS RELEASE



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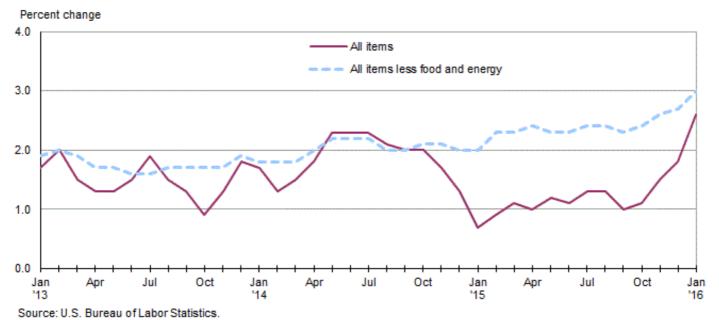
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Consumer Price Index, West Region — January 2016 Area prices were up 0.5 percent over the past month, up 2.6 percent from a year ago

Prices in the West Region, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), advanced 0.5 percent in January, the U.S. Bureau of Labor Statistics reported today. (See <u>table A</u>.) TThe January increase was influenced by higher prices for shelter and food. (Data in this report are not seasonally adjusted. Accordingly, month-to-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 2.6 percent. The last time the CPI-U increased more than 2.5 percent for a 12-month period was in January 2012. (See <u>chart 1</u>.) Energy prices advanced 1.9 percent, largely the result of an increase in the price of gasoline. The index for all items less food and energy rose 3.0 percent over the year. (See <u>table 1</u>.)

Chart 1. Over-the-year percent change in CPI-U, West region, January 2013-January 2016



Food

Food prices increased 0.4 percent for the month of January. (See <u>table 1</u>.) Prices for food at home and prices for food away from home each increased 0.4 percent for the same period.

Over the year, food prices advanced 1.2 percent. Prices for food away from home increased 3.4 percent since a year ago, but prices for food at home decreased 0.3 percent.

Energy

The energy index advanced 0.6 percent over the month. The increase was mainly due to higher prices for electricity (2.0 percent) and natural gas service (1.5 percent). Prices for gasoline declined 0.4 percent in the same period.

Energy prices advanced 1.9 percent over the year, largely due to higher prices for gasoline (5.0 percent). Prices paid for electricity increased 0.8 percent, but prices for natural gas service declined 5.5 percent during the past year.

All items less food and energy

The index for all items less food and energy advanced 0.5 percent in January. Prices increased for household furnishings and operations (1.0 percent), recreation (0.7 percent), shelter (0.6 percent), and apparel (0.6 percent).

Over the year, the index for all items less food and energy rose 3.0 percent. Components contributing to the increase included shelter (4.6 percent), medical care (3.0 percent), and recreation (2.2 percent). Partly offsetting the increases were price declines in new cars (-0.6 percent) and apparel (-0.1 percent).

Table A. West Region CPI-U monthly and annual percent changes (not seasonally adjusted)

	20	2011		2012		2013		2014		2015		2016	
Month	Monthly	Annual											
January	0.5	1.4	0.4	2.6	0.3	1.7	0.3	1.7	-0.3	0.7	0.5	2.6	
February	0.6	1.9	0.4	2.5	0.8	2.0	0.4	1.3	0.6	0.9			
March	0.9	2.6	0.9	2.4	0.4	1.5	0.6	1.5	0.8	1.1			
April	0.6	3.0	0.2	2.1	0.0	1.3	0.3	1.8	0.3	1.0			
May	0.3	3.2	0.2	2.0	0.2	1.3	0.6	2.3	0.8	1.2			
June	-0.2	3.1	-0.2	2.0	0.1	1.5	0.1	2.3	0.0	1.1			
July	-0.1	2.9	-0.3	1.8	0.0	1.9	0.1	2.3	0.3	1.3			
August	0.2	3.0	0.5	2.1	0.1	1.5	-0.1	2.1	-0.1	1.3			
September	0.4	3.5	0.5	2.2	0.2	1.3	0.1	2.0	-0.2	1.0			
October	0.0	3.4	0.4	2.5	-0.1	0.9	-0.1	2.0	0.0	1.1			
November	-0.2	3.2	-0.7	1.9	-0.4	1.3	-0.6	1.7	-0.2	1.5			
December	-0.3	2.7	-0.5	1.7	0.0	1.8	-0.5	1.3	-0.1	1.8			

The February 2016 Consumer Price Index for the West Region is scheduled to be released on March 16, 2016.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17 a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE:Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The West Region covered in this release is comprised of the following thirteen states: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.

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Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods West (1982-84=100 unless otherwise noted)

		Indexes		Percent change from-			
Item and Group	Nov. 2015	Dec. 2015	Jan. 2016	Jan. 2015	Nov. 2015	Dec. 2015	
Expenditure category							
All Items.	243.749	243.434	244.600	2.6	0.3	0.5	
All items (December 1977=100)	394.007	393.498	395.382				
Food and beverages	251.757	251.102	252.297	1.2	0.2	0.5	
Food	251.951	251.300	252.408	1.2	0.2	0.4	
Food at home	249.920	248.480	249.584	-0.3	-0.1	0.4	
Food away from home	253.577	254.041	255.149	3.4	0.6	0.4	
Alcoholic beverages	245.827	245.138	247.478	1.6	0.7	1.0	
Housing	257.121	258.106	259.985	3.9	1.1	0.7	
Shelter	292.216	293.423	295.183	4.6	1.0	0.6	
Rent of primary residence (1)	307.166	308.893	310.112	4.8	1.0	0.4	
Owners' equiv. rent of residences (1) (2)	306.998	308.301	309.485	4.6	0.8	0.4	
Owners' equiv. rent of primary residence (1) (2)	306.978	308.284	309.472	4.6	0.8	0.4	
Fuels and utilities	273.243	273.085	277.144	0.9	1.4	1.5	
Household energy	234.637	234.451	238.794	-0.6	1.8	1.9	
Energy services (1)	236.244	236.140	240.609	-0.7	1.8	1.9	
Electricity (1)	261.784	260.589	265.864	0.8	1.6	2.0	
Utility (piped) gas service (1)	190.266	192.761	195.589	-5.5	2.8	1.5	
Household furnishings and operations	128.345	129.113	130.436	1.8	1.6	1.0	
Apparel	118.848	115.729	116.407	-0.1	-2.1	0.6	
Transportation	197.083	195.062	194.907	2.1	-1.1	-0.1	
Private transportation	190.213	188.654	188.555	2.3	-0.9	-0.1	
New and used motor vehicles (3)	100.159	99.778	99.730	0.2	-0.4	0.0	
New vehicles	146.557	146.074	146.138	0.4	-0.3	0.0	
New cars and trucks (3) (4)	101.779	101.454	101.496	0.3	-0.3	0.0	
New cars ⁽⁴⁾	145.296	144.765	144.848	-0.6	-0.3	0.0	
Used cars and trucks.	138.050	137.111	137.043	0.0	-0.7	0.0	
Motor fuel	205.325	199.182	198.078	4.4	-3.5	-0.6	
Gasoline (all types).	204.427	198.342	197.513	5.0	-3.4	-0.4	
Gasoline (all types)	201.794	195.732	194.666	4.8	-3.5	-0.5	
Gasoline, unleaded midgrade (4) (5)	197.104	190.802	190.843	5.4	-3.2	0.0	
Gasoline, unleaded midgrade Gasoline, unleaded premium (4)	201.449	196.112	196.123	6.1	-2.6	0.0	
Medical Care.	458.708	459.224	460.641	3.0	0.4	0.0	
Medical care commodities	346.064	345.408	347.688	1.8	0.4	0.3	
Medical care services.	494.643	495.621	496.693	3.3	0.5	0.7	
Professional services.	341.335		342.595	2.7	I	0.2	
Recreation (3)		341.980 110.725	111.498		0.4	0.2	
Education and communication (3)	111.266			2.2	I .		
Other goods and services.	138.879 405.941	138.660 406.063	138.896 406.263	0.4 1.3	0.0 0.1	0.2 0.0	
Commodity and Service Group							
All Items	243.749	243.434	244.600	2.6	0.3	0.5	
Commodities	178.287	177.122	177.738	1.0	-0.3	0.3	
Commodities less food & beverages	141.820	140.486	140.849	0.8	-0.7	0.3	
Nondurables less food & beverages	177.597	175.142	175.510	1.3	-1.2	0.2	
Nondurables less food, beverages, and apparel	219.207	217.157	217.336	1.8	-0.9	0.1	
Durables	108.704	108.388	108.737	0.0	0.0	0.3	
Services	304.128	304.636	306.318	3.6	0.7	0.6	
Rent of shelter (2)	310.884	312.178	314.055	4.6	1.0	0.6	
Transportation services	286.091	284.624	285.013	2.4	-0.4	0.1	

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes and percent changes for selected periods West (1982-84=100 unless otherwise noted) - Continued

		Indexes		Percent change from-			
Item and Group	Nov. 2015	Dec. 2015	Jan. 2016	Jan. 2015	Nov. 2015	Dec. 2015	
Other services.	339.305	338.421	339.939	2.1	0.2	0.4	
Special aggregate indexes:							
All items less medical care	233.918	233.571	234.724	2.6	0.3	0.5	
All items less food	242.648	242.386	243.561	2.9	0.4	0.5	
All items less shelter	225.289	224.322	225.244	1.6	0.0	0.4	
Commodities less food	145.727	144.404	144.822	0.8	-0.6	0.3	
Nondurables	214.504	212.867	213.626	1.3	-0.4	0.4	
Nondurables less food	182.593	180.233	180.714	1.3	-1.0	0.3	
Nondurables less food and apparel	221.429	219.512	219.885	1.8	-0.7	0.2	
Services less rent of shelter (2)	329.931	329.466	331.083	2.3	0.3	0.5	
Services less medical care services	290.890	291.366	293.083	3.6	0.8	0.6	
Energy	220.716	217.214	218.529	1.9	-1.0	0.6	
All items less energy	247.467	247.391	248.555	2.7	0.4	0.5	
All items less food and energy	247.460	247.485	248.661	3.0	0.5	0.5	
Commodities less food and energy commodities	139.613	138.860	139.460	0.2	-0.1	0.4	
Energy commodities	209.693	203.507	202.420	4.4	-3.5	-0.5	
Services less energy services	309.218	309.766	311.280	3.8	0.7	0.5	

⁽¹⁾ This index series was calculated using a Laspeyres estimator. All other item stratum index series were calculated using a geometric means estimator.

NOTE: Index applies to a month as a whole, not to any specific date. Data not seasonally adjusted.

⁽²⁾ Index is on a December 1982=100 base.

⁽³⁾ Indexes on a December 1997=100 base.

⁽⁴⁾ Special index based on a substantially smaller sample.

⁽⁵⁾ Indexes on a December 1993=100 base.

Regions defined as the four Census regions. West includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming.